

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 545 – SB 2351

March 16, 2009

SUMMARY OF BILL: Effective July 1, 2009, requires a halfway house to register with the Department of Commerce and Insurance. Requires the Commissioner to establish registration and renewal fees in an amount sufficient to cover administrative costs associated with the registration program. Prohibits ex-offenders from registering under this bill for five years from the date of conviction. Effective October 1, 2009, it is an offense for the a person to own or operate a halfway house without registering with the Department. First or second violation is a Class A misdemeanor. Third and subsequent violation is a Class E felony.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$75,000/Biennially

Increase State Expenditures - \$4,000/One-Time

\$7,100/Incarceration*

Increase Local Revenue – Not Significant

Increase Local Expenditures – Not Significant

Assumptions:

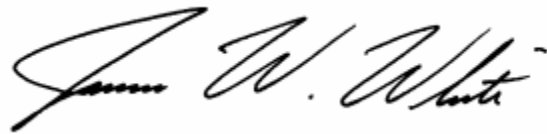
- Registration fee of \$300 per halfway house. Estimated 250 halfway houses. Total revenue generated is estimated at \$75,000 biennially (\$300 x 250 registrants).
- One-time expenditures are estimated at \$4,000 for computer upgrades.
- According to the Department of Commerce and Insurance, this registration program will be added to the Division of Regulatory Boards' Combined Units Section which administers many registration programs.
- According to the U.S. Census Bureau, population growth in Tennessee has been 1.12 percent per year for the past 10 years, yielding a projected compound population growth of 11.78 percent over the next 10 years. No significant incarceration cost increase will occur due to population growth in this period.
- According to the Department of Correction (DOC), the average post-conviction time served for a Class E felony is 1.63 years.

- One Class E felony every five years with 1.63 years time served (594.45 days). The annualized time served per conviction is 118.89 days (0.20 annual number of convictions x 594.45 days served). According to DOC, the average operating cost per offender per day for calendar year 2009 is \$59.80. The annualized cost per conviction is \$7,109.62 (\$59.80 x 118.89 days).
- Since this bill creates a new offense, no recidivism discount has been included.
- There will not be a sufficient number of prosecutions for local governments to experience any significant increase in revenue or expenditures.

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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